

**Minutes of the Regular and Joint Meeting With The Finance Commission  
February 24, 2004**

**Twin Pines Senior and Community Center  
CLOSED SESSION – 6:30 P.M.**

A. Public Employee Performance Evaluation, pursuant to Government Code Section 54957:

City Manager Kersnar

Attended by Councilmembers Warden, Feierbach, Mathewson, Bauer, Metropulos, City Manager Kersnar, Assistant City Manager Rich, Deputy City Attorney Rubens. City Clerk Cook was excused from attending.

**ADJOURNMENT** at this time, being 7:27 P.M., this Closed Session was adjourned.

This meeting not tape-recorded or videotaped.

Terri Cook

City Clerk

**REGULAR MEETING**

**CALL TO ORDER - 7:40 P.M.**

**ROLL CALL**

COUNCILMEMBERS PRESENT: Warden, Feierbach, Mathewson, Bauer, Metropulos

COUNCILMEMBERS ABSENT: None

Staff Present: City Manager Kersnar, Assistant City Manager Rich, Deputy City Attorney Rubens, Public Works Director Davis, Community Development Director Ewing, Finance Director Fil, Parks and Recreation Director Mittelstadt, Human Resources Director Dolan, Acting Police Chief Mattei, City Clerk Cook.

**Pledge of Allegiance**

Led by City Clerk Cook.

## **PUBLIC COMMENTS AND ANNOUNCEMENTS**

**Gail Gandolfi**, San Mateo Arts Council, picked up the clay pots decorated by Councilmembers for the upcoming "Pot Party" fundraiser to be held on March 20.

**Michelle Reid**, Central School, announced a Read-A-Thon fundraiser called Open Library Open Mind (OLOM) sponsored by School-Force as a benefit for the Belmont-Redwood Shores School District libraries. She stated that students were collecting pledges for reading books, and that middle school students would be holding a 24-hour read-a-thon on March 19. She invited the Council and community to participate by making a pledge (forms available in City Clerk's Office).

**Dr. D.K. Sinha**, Chesterton Avenue, invited Council and the community to attend the Holi Milan Cultural Festival on March 13, sponsored by the Greater Bay Area Indian Community. He described the activities that will take place, and noted that this festival is a celebration of the beginning of spring. He noted that Mayor Metropulos had attended the event last year.

**Kristi Martin**, Oxford Way, stated that it was difficult to maneuver a large vehicle around the traffic calming devices on Hiller Street. She requested removal of these devices, as she believed they presented a hazard to children trying to cross the street to get to school.

Mayor Metropulos responded that at a previous meeting, the Council had directed staff to work with the neighborhood association regarding this issue. City Manager Kersnar clarified that a meeting with the neighborhood association would take place after Council's first March meeting, so a status report would be given at the second Council meeting in March. Councilmember Feierbach stated that she attended a meeting with the Mayor, the Public Works Director, and the president of the Sterling Downs Neighborhood Association regarding this issue.

## **COUNCIL MEMBER COMMENTS AND ANNOUNCEMENTS**

Councilmember Warden reminded everyone to vote on Tuesday, March 2.

Mayor Metropulos made the following announcements:

- a presentation on the initial plans for the Alameda Gateway and Patricia Wharton Park would take place at the Parks and Recreation Commission meeting on March 4 at 7:30 P.M.

- the Transportation Authority is holding open houses in the area regarding the reauthorization of Measure A (schedule on file in City Clerk's Office).
- the City of Belmont is seeking community input on the redesign of its website.
- the Mayor's annual State of the City presentation would be made on March 11 at 4:00 p.m. at Ralston School.
- NFL-sponsored Black History Exhibit to be held from March 1 through March 7, located in the vacant space in the Walgreen's Plaza.

### **AGENDA AMENDMENTS**

Councilmember Feierbach requested the removal of Items **4-D** (Ordinance amending Chapter 25, Section 25-7, Belmont Municipal Code, Trees), **4-E** (Resolution Accepting Dedication of Eight Feet of Right-of-Way to Hiller Street from ARCO Products Company and Approving a Permanent Encroachment Agreement for Landscaping, 470 Ralston Avenue, APN 040-316-010), and **4-G** (Resolution Approving Amendments to Code Enforcement Policy) for separate consideration.

### **CONSENT CALENDAR**

**Approval of** meeting minutes: Regular Meeting of January 27, 2004.

**Motion to** waive reading of Ordinances.

**Acceptance of** Written Communication 1) Received February 17, 2004, In re BRAC Group, Inc. (f/k/a Budget Group, Inc.), et al., Case No. 02-12152 (CGC), US Bankruptcy Court.

**Approval of** Resolution 9507 Approving Reappointment of Finance Commissioners Daniel Mannisto and Susie White, for a term expiring March 1, 2007.

**Action:** On a motion by Councilmember Bauer, seconded by Councilmember Mathewson, the Consent Agenda, as amended, was unanimously approved by a show of hands.

### **ITEMS REMOVED FROM CONSENT AGENDA FOR SEPARATE CONSIDERATION**

**Ordinance Amending Chapter 25, Section 25-7, Belmont Municipal Code, Trees (2<sup>nd</sup> reading and adoption).**

Councilmember Feierbach asked how the ordinance could require a condition of allowing trees to flourish once they are planted. Community Development Director Ewing responded that it is difficult to enforce this condition if the trees are trimmed properly.

In response to Councilmember Bauer's question regarding the 24-inch tree size requirement, Community Development Director Ewing clarified that this was an oversight, and the ordinance should state "24-inch box tree". Deputy City Attorney Rubens stated that the ordinance could still be adopted with a correction of this minor typographical error.

**Action:** On a motion by Councilmember Feierbach, seconded by Councilmember Mathewson, Ordinance 997 Amending Chapter 25, Section 25-7, Belmont Municipal Code, Trees, was unanimously adopted, as corrected, by a show of hands.

**Resolution Accepting Dedication of Eight Feet of Right-of-Way to Hiller Street from ARCO Products Company and Approving a Permanent Encroachment Agreement for Landscaping, 470 Ralston Avenue, APN 040-316-010.**

In response to Councilmember Feierbach, Public Works Director Davis stated that the required \$100,000 bond was to ensure that the landscaping would be installed. He noted that if there were a desire to reduce the amount, subsequent Council action would be required. Community Development Director Ewing clarified that the landscaping plan included a mixture of 15-gallon and 24-inch box trees.

In response to Councilmember Bauer's question regarding the addition of benches in the plan, Community Development Director Ewing clarified that the Planning Commission had recommended benches only in the right-of-way. He noted that the Council could amend the plan to include them elsewhere, if desired.

**Action:** On a motion by Councilmember Feierbach, seconded by Councilmember Bauer, Resolution 9507, Accepting Dedication of Eight Feet of Right-of-Way to Hiller Street from ARCO Products Company and Approving a Permanent Encroachment Agreement for Landscaping, 470 Ralston Avenue, APN 040-316-010, and amended to include a bench and direction to staff to work with Arco regarding the location of the bench, was unanimously approved by a show of hands.

**Resolution Approving Amendments to Code Enforcement Policy**

In response to questions from Councilmember Feierbach, Code Enforcement Officer Buckman clarified that staff would be designing a code enforcement "sweep" program on an as-needed basis and as resources became available. Community Development

Director Ewing added that staff would also be initiating an anonymous phone complaint program on six-month trial basis, and would work with the Chamber of Commerce on their enforcement program. He clarified that enforcement issues not related to health and safety matters are complaint-based only. City Manager Kersnar added that no city could ever reach 100 percent compliance. He noted that due to limited resources, there is a need to have a threshold, which was the reason for the policy.

Community Development Director Ewing advised that as a result of direction at the previous Council meeting, the anonymous phone call system had just been activated.

**Action:** On a motion by Councilmember Feierbach, seconded by Councilmember Bauer, Resolution 9509, Approving Amendments to Code Enforcement Policy, was unanimously approved by a show of hands.

## **NEW BUSINESS**

### **CONVENE A JOINT MEETING OF THE CITY COUNCIL AND FINANCE COMMISSION**

#### **CALL TO ORDER 8:00 P.M.**

COUNCILMEMBERS PRESENT: Warden, Feierbach, Mathewson, Bauer, Metropulos

COMMISSIONERS PRESENT: Ledoux, Leiberman, Mannisto, Korn

COMMISSIONERS ABSENT: White, Troyan, Sepah-Mansour

#### **Report on Mid-Year Financial Results – December 31, 2003**

City Manager Kersnar reviewed the corrective actions that have been taken in Belmont's budget. He noted stated that over \$2 million has been reduced from the budget over the last two years consisting of State takeaways and a reduction of local revenue sources. He advised that the current downturn in the economy was not temporary, which will result in a mid-year correction and additional reductions in subsequent years. He noted that the City of Belmont has been able to stay ahead of the downturn until now.

Finance Director Fil stated that the General Fund balance on June 30, 2004 is projected to be just over \$2 million. He noted that Council addressed a \$500,000 shortfall in the fall, and another \$700,000 shortfall is expected, for a total of \$1.2

million for the current fiscal year. He stated sustainable and achievable corrections should be identified to achieve the shortfall.

Finance Director Fil reviewed revenue sources, and noted that: property tax revenues were increasing, which also impacts the Redevelopment Agency (RDA) revenues; 12 percent reduction in sales tax; 31 percent reduction in Transit Occupancy Tax (TOT); a 19 percent reduction in Vehicle License Fees (VLF); no change in gas tax revenues, but costs were increasing. He noted that the State was proposing to shift increased property tax revenues to the State level.

Finance Director Fil reviewed the current expenditures, and stated that there were very few adjustments to make since departments have held costs down. He added that additional reductions would result in service impacts. City Manager Kersnar clarified that those items with the least impact would be the targeted areas of reduction. Finance Director Fil noted that other cities in the area were in similar or worse financial condition as Belmont.

Council discussion ensued. Finance Director Fil noted that a policy was being developed to address subsidies to the Development Services and the Recreation Funds. In response to Council questions, he clarified that new revenue sources could include new or increased fees, new taxes, assessments, and fines.

Finance Commission Chair Lieberman commended staff for advance planning for budget corrections. He commented that the City has little control over State actions.

Councilmember Bauer stated that he encouraged the use of local businesses and services.

Councilmember Warden stated that he does not support new taxes, but would support assessments and an increase in fees. He also stated that Redevelopment Agency monies should be leveraged to alleviate the impact on the General Fund.

**Action:** On a motion by Councilmember Mathewson, seconded by Councilmember Bauer, and unanimously approved by a show of hands, to bring back a resolution at a subsequent meeting reflecting proposed mid-year budget corrections.

### **FY 2005 Budget Strategic Planning Session.**

Finance Director Fil reviewed trends and projections as they related to the development of the next fiscal year's budget. He noted that there is a flat population change in Belmont, the inflation rate was 2 percent, job growth had increased by 7 percent, which consisted mainly of home-based businesses, the office vacancy rate

was 30.7 percent and growing, and interest rates were 1.55 percent and falling. He also noted that the average hotel vacancy rate was 50 percent.

Finance Director Fil reviewed the forecast of revenues for the next fiscal year, including the stabilization of sales tax. He noted that under the current tax structure, sales needed to be made within the State to capture the tax. He stated that there would be modest growth in property tax, mainly from home sales, and that the VLF was a steady source of revenue. He commented that TOT would continue to decline, and that consumption values would decrease on gas taxes.

Finance Director Fil reviewed the City's ongoing capital projects including the City Hall/Police facility, the new library, and the ongoing sewer/storm drain work. He noted that the second series of \$7.5 million bond sales for this public works project would be made during fiscal year 2005. He stated that the State's structural deficit could have a \$300,000 effect on Belmont's budget, in addition to potential takeaways from the RDA revenues.

Finance Director Fil reviewed the City's financial policies affecting reserves and Services Delivery Initiative (SDI), and noted that SDI drives operations, and services could be affected in the next fiscal year. He also reviewed the SDI and Capital Improvement programs, as well as policy directions and principles. He commented that reduced service levels could include layoffs.

Councilmember Feierbach stated that she would support a salary rollback before job cuts, and noted that businesses should be encouraged to locate in Belmont. She stated her desire to review subsidies, fines, fees, and penalties, economic development for downtown, and the potential use of RDA monies outside the RDA area. Councilmember Mathewson agreed.

Mayor Metropulos stated that he supported not raising taxes, and the potential expenditure of RDA monies outside the RDA area.

Councilmember Warden stated that RDA expenditures needed to be prioritized.

### **Approval of FY 2005 Budget Calendar.**

Finance Director Fil reviewed the budget calendar and noted that community group funding would be considered in May, which was earlier than in previous years.

**Action:** On a motion by Councilmember Mathewson, seconded by Councilmember Bauer, the FY 2005 Budget Calendar was unanimously adopted as presented by a show of hands.

**Action:** at this time, being 9:48 P.M., the Joint Meeting of the Belmont City Council and Belmont Finance Commission was adjourned.

## **BOARD, COMMISSION, COMMITTEE UPDATES, AND STAFF REPORTS**

### **Update on Police Department/City Hall Project**

Assistant City Manager Rich stated that the demolition was 100 percent complete, and that the entire project was 25 percent complete. He noted that foundations had been poured, and the x-raying of the building was ongoing. He stated that shear wall work was under way, which was the noisiest component of the project. He stated that the architectural work was nearly complete, and that staff was reviewing furniture and equipment needs for the council chambers. He noted that there were no change orders submitted to date, nor had there been any rain delays. He added that future updates would be placed on the Consent calendar.

Mayor Metropulos stated that he liked the photos included with the report.

### **Discussion and direction regarding funding for Mayor's State of City presentation.**

Assistant City Manager Rich stated that in the past, this event had been sponsored by the Chamber of Commerce. He noted that this year's event, scheduled for March 11, 2004, at Ralston Middle School Gym, would be free. He noted that the staff was requesting funding from Council Contingencies to purchase refreshments, which would be similar to those items purchased for City Council installations.

Councilmember Feierbach suggested that each Councilmember could sacrifice an amount from their individual travel and training budget in order to fund this event.

**Action:** On a motion by Councilmember Bauer, seconded by Councilmember Mathewson, to approve a cost not to exceed \$1,000 for the State of the City presentation, was approved by a show of hands (4-1, Warden, no).

Councilmember Warden clarified that he supported the concept but did not support the expenditure of funds.

Mayor Metropulos stated that he was willing to spend monies from his personal Council account.

**ADJOURNMENT** at this time being 9:48 P.M., the Regular Meeting of the Belmont City Council was adjourned.

Terri Cook

City Clerk